arrangements. In addition, to the extent that options 4, 5, and 6 eliminate toll calling and associated revenues, the Commission would need to consider the impact of these options on toll revenue, customer confusion, dialing scope changes, etc. Finally, E911 impacts need to be considered. Because of the customer and company impacting issues listed above, the implementation of options 4 5 and 6 are likely to result in contested hearings.

Concerning options 7 thru 9 (inconsistent rate center consolidation options); to the extent IRCs are determined to be workable, if implemented more broadly than they are today, the number of NXXs required in options 7 thru 9, for those CLECs who choose the inconsistent rate center option, may be substantially reduced as compared to the consistent rate center structure of the ILECs. Therefore, if the Commission wants to pursue inconsistent rate centers as a number conservation measure, the Commission should order the Southwest Region Industry LNP Steering Committee to address and resolve the issue of whether the delivery of a ported call is adversely impacted by inconsistent rate centers and report back to the Commission no later than January 31, 1998.

In addition to the technical review by the LNP Steering Committee, the commission should undertake a review to consider other issues concerning wider implementation of inconsistent rate centers, including: 1) whether end user billing impacts associated with IRCs should preclude wider ICR implementation; 2) which plan CLECs and ILECs may choose from—the consistent rate center option, the inconsistent option or both; and 3) whether and how adoption of Option 7 (which represents the inconsistent rate center structure approved for Golden Harbor) should impact the other two inconsistent plans currently approved in Texas. The TNC assumed that only one alternative rate structure would be adopted, rather than numerous inconsistent rate center structures. Option 7 assumes that any CLEC adopting a different rate structure than the SWBT would use the Golden Harbor structure.

If inconsistent rate centers are proven to be unfeasible for any reason, CLECs currently using IRCs will require additional NXXs to conform to whichever consistent rate center structure is adopted.

## B. Number Pooling

The members of the TNC generally agreed on the benefits of number pooling. It appears number pooling provides a more efficient use of numbering resources than the present method of assignment of whole NXXs to providers.

The TNC recommends number pooling be aggressively reviewed and specific deployment schedules be developed for the state of Texas. As pointed out in section 4, the implementation of number pooling assumes the successful deployment of LNP in an area. The current schedule for landline LNP for Houston is 3-31-97, for Dallas 5-15-97 and for Austin 9-30-97. The many technical, cost and administrative issues associated with number pooling must be worked to conclusion before a firm implementation date can realistically be set. In Illinois, the original target date for number pooling was set for January of 1998. After further review and study, this date is now tentatively set for June of 1998. At this time it is difficult to predict with any degree of certainty a timeframe for pooling deployment, given that many pooling implementation details are still incomplete.
Nevertheless, the TNC believes a target interval of 6 months may be necessary between LNP implementation and pooling deployment, at least in the initial LNP deployment area (Houston). The necessary interval may be shorter in subsequent areas where pooling may be deployed in Texas (e.g., Dallas and Austin). Any implementation sooner than six months may require local solutions to very complex issues which may be resolved in a different manner nationally by the INC. and NANC, both of whom are working on number pooling. As a result, any subsequent modifications to the Texas pooling model which would be required by national standards, may be costly to implement. The TNC received commitments from its various provider participants to aggressively push for the identification and resolution to the many issues associated with number pooling at both the state and the national level.

The TNC recommends the PUCT modify its Order Approving Sequential Numbering (dated 9/11/97) to allow the assignment of up to 5% of the numbers within assigned NXX thousand blocks. This modification to the order would allow providers to meet various customer "vanity" number requests while not precluding these blocks of numbers from being a part of a number pool.

Because wireless carriers will not be LNP capable before mid 1999, they will require full NXX codes until they are technically capable of number pooling.
Other non-LNP capable carriers will also require full NXX codes until such time as they are LNP capable.

Due to the deployment schedule of pooling and the lack of whole NXXs in Houston, Dallas and Austin , number pooling has little or no positive effects on the exhaust of four of the five NPAs in these locations. Number pooling requires a resource of numbers for assignment therefore it could provide benefits for future requirements that has little impact on NPAs that are nearing exhaust.

Several members of the TNC pointed out that a cost recovery mechanism associated with the incremental costs associated with the deployment of Number Pooling must be developed before Number Pooling is deployed.

## C. Transparent Overlay

A transparent overlay is *not* a number conservation mechanism, and is *not* designed to extend the life of an NPA. The TNC does not recommend its implementation for number conservation purposes within the state of Texas.

## D. The TNC

The TNC recommends to the Commission that the charter of the TNC be continued through 1998. The TNC should continue to meet on a regular basis to further analyze issues associated with number pooling and other number conservation methods identified. Specific recommendations will be forwarded to the staff.

The TNC should provide quarterly staus reports (at a minimum) to the staff regarding developments in any number conservation area. The TNC should also continue its aggressive efforts towards the expedited implementation of number pooling within Texas. Areas to be worked on include the development of administrative guidelines for a pool administrator, analysis of pre-port vs. port on demand, work with Lockheed/ Martin and the SW Region LNP Steering Committee to develop enhancements to the LNP infrastructure to accommodate necessary changes required by number pooling, develop an RFP for a pool administrator, etc..

The TNC should actively investigate the contribution of GTE concerning the creation of a Rate Center ID Number (Attachment 15). GTE should also be encouraged to forward this contribution to the appropriate industry forum(s).

## Additional Information

Attached are various documents and other information that might prove helpful to the staff in their review of number conservation issues.

| | |
|---|---|
| Attachment 16 | Summary of Number Utilization Data from Data Request |
| Attachment 17 | NXX Growth Data for NPAs 214/972/713/281/512 '95 thru '97 |
| Attachment 18 | Georgia PUC Order for Relief of the Atlanta area |
| Attachment 19 | Colorado PUC Order for relief of the Denver area |
| Attachment 20 | NPA Jeopardy Summary 713-281-972-512 |

be unnecessary with Option 8 in place. Note: Existing or future interconnection agreements may be the proper regulatory avenue to consummate usage of Option 8.

- Order Options 2, 4 and 5 of Rate Center Consolidation with an effective date of August 1, 1998. These options continue the move toward simplifying and minimizing the historical rate center structures. More time is allowed for these RCC options, due to the implications of changes in local calling scope and related tariff filings.
- Study further Options 6 and 9 for future implementation. These options involve rate center consolidation among incumbent LECs. Rate center structures have historically been LEC-specific, but perhaps should give way to a combined arrangement in a more competitive local exchange environment.
- Establish an industry Number Pooling Implementation Team with a goal of reporting to the Commission, by February 1, 1998, plans to implement NXX-X LRN Number Pooling on September 15, 1998 in Dallas. This team should be encouraged to follow closely the standards available within industry forums (NANC, INC, etc.). To the extent necessary, this implementation date could be modified based on pertinent input. However, an implementation date should be established to focus the team on the task of deploying Number Pooling in Texas. The implementation team could make recommendations on deploying to other areas in Texas based on factors it has investigated.
- Continue with the Sequential Number Assignment order previously issued. Allow a 5% contamination factor to enable sale of vanity numbers within unused blocks.
- Although not specifically within the scope of the NCTF, discussion about NPA relief leads me to conclude that the Commission should have a plan for NPA relief available to allow adequate lead-time for consumers to react to a potential change in calling patterns. Despite the best efforts of this task force, NPA relief must be considered as a possibility.

Without aggressive efforts to alter the traditional rate center and number block paradigms used in the telecommunications industry, numbering resources will continue to be at risk. Consequently, so will competition in the local market place. Further, while this report, and these specific recommendations are for the Houston, Dallas and Austin areas specifically, number conservation methods documented herein should be applied liberally across the state to minimize future numbering crises, and facilitate competition statewide. I appreciate the Commission's consideration of these recommendations.

**Southwestern Bell Telephone Company (SWBT)** supports the Commission's efforts to encourage all NXX code holders to implement number conservation so an uninterrupted supply of telephone numbers is available for all telecommunications competitors and customers. SWBT believes industry agreement on these issues is conducive to achieving number conservation goals, while avoiding litigation and harm to individual companies. SWBT fully participated in the Texas Number Conservation (TNC) Task Force and believes the information gained during this process will aid the PUC Staff in making a proper recommendation for the Commission to proceed with its NPA relief activities. Based on the information gained during this process, SWBT recommends the Commission take the following actions:

1. The Commission should issue an order encouraging all telecommunications providers operating in the metropolitan exchanges throughout the State of Texas to consolidate rate centers as described in the TNC Task Force Proposal Nos. 1 and 3. The order should provide for adequate notice to all affected entities and persons.

2. If the Commission decides that further consolidation of rate centers is warranted throughout the State of Texas, the Commission should initiate a formal proceeding to consider such action. This proceeding will allow the Commission to carefully weigh all of the factors involved with such a major consolidation effort, and will allow all providers and other affected persons to participate. Such consolidation efforts will have a **major financial impact** on SWBT and other ILECs, and will have related impacts on resellers and intraLATA toll carriers as well.

3. The Commission should encourage number pooling at the one thousand block (1000) level as a number conservation initiative after Local Number Portability (LNP) is successfully completed. The Commission should encourage quick resolution to the numerous technical, administrative and policy issues that are needed for a uniform national number pooling method. Further, to insure competitive neutrality, the Commission should require: 1) equal access to numbering resources for all carriers; 2) a specific and predictable cost recovery mechanism prior to implementation; 3) realistic implementation timeframes based on factual information.

4. The Commission should forbid any carrier to implement inconsistent rate centers to: 1) avoid customer confusion and complaints caused by routing and rating anomalies; and 2) allow successful implementation of number pooling after LNP is implemented.

5. To insure that complete number exhaust does not occur in the Dallas, Houston and Austin areas before the benefits of the number conservation efforts can be fully realized, the Commission should continue its process of area code relief under Project No. 16899, *Numbering Plan Area Code Relief Planning for the 214/972 Area Codes*, Project No. 16900, *Numbering Plan Area Code Relief Planning for the 713/281 Area Codes*, and Project No. 16901, *Numbering Plan Area Code Relief Planning for the 512 Area Code*, to implement a new area code for use in the event it becomes necessary.

**GTE Comments:**

In addition to Texas, GTE has been and continues to be active in area code exhaust discussions in other states including Illinois, California and Pennsylvania. GTE also supports industry efforts through its participation on various standards bodies, the North American Numbering Council (NANC), and via comment/discussion with the FCC. GTE understands the issues and as a company that operates in multiple states, we are striving for a universal solution.

While some blame the current area code exhaust on misuse of the numbering resource, nothing could be further from the truth. The problem we face today is to a large degree due to the increased demand for numbers as a result of the availability of new technology, a growing economy, and the ability of customers to change service providers. Many customers have multiple lines to their home and work in an environment that provides them a work number, a fax number, a pager, and a cellular phone. The evolution of technology has introduced a plethora of services that utilize individual telephone numbers. These conditions reflect positive aspects for the majority of the consumers in the state of Texas. The current number assignment structure places a geographic significance to the number that permits the proper routing and billing of a call. This structure is designed to promote the efficiency of network design, satisfy customer requests (for reserved blocks of numbers and the use of vanity numbers), and allow for a logical number assignment process. Attempting to change this in an effort to mitigate NPA exhaust, has caused the Texas Number Conservation Task Force (TNCTF) to struggle for solutions.

In addition, the Local Number Portability (LNP) capability being deployed, will also restrict the use of numbers based on the current design standards (i.e. portability is restricted to a rate center boundary thus limiting the geography over which a number can be assigned). As more companies enter the telecommunications market, the industry must develop a long-term solution that allows all companies to compete fairly in an LNP environment.

The TNCTF has looked at various number conservation options that may impact existing area codes in Dallas, Austin, and Houston, in particular rate center consolidations, inconsistent rate centers, and number pooling. Although a limited rate center consolidation may alleviate the initial demand for codes and be feasible without greatly impacting the customer, the impact on existing NPAs is minimal. While inconsistent rate centers (IRC) appear on the surface to be a viable option for number conservation, they also hold major problems as companies attempt to convert to LNP. Wide spread use of IRCs will result in massive customer confusion, restrict companies' ability to structure rates in a manner they desire, and may impact LNP reliability. Though current intercompany agreements allow for local calling within the three limited IRCs, the advent of multiple carriers within an IRC will make it impossible to guarantee this relationship. If the use of inconsistent rate centers became more wide spread, customers would receive toll billing on calls that were previously local and local billing for calls that were previously toll.

GTE believes that the number pooling option, which requires LNP, is not technology neutral, will not provide the relief needed, will increase cost and add a new layer of number administration. A review of the benefits of pooling in Pennsylvania, Illinois, and Texas have shown it will provide little short-term benefit. In addition, the cost and cost recovery issues have yet to be discussed. The real problem is that the dialed number is used for rating and is therefore restricted in the range over which it can be utilized. Consequently, no conservation method appears to provide major short-term relief for codes, especially those in a jeopardy situation.

While there may be some short term benefit to limited rate center consolidations, GTE does not believe this to be an appropriate method for codes in jeopardy nor a long term method that eliminates a need for code relief. Nor does GTE believe number pooling will be an efficient solution even if the technology neutral issue is resolved. In the near term, relief for the existing NPAs in jeopardy must be provided. The use of a retroactive overlay (RO), would avoid the assignment of a third area code in Dallas and Houston for the next few years and provide time to develop longer-term solutions. However, as with area code splits, the RO or any overlay, while preferred by GTE, should not be viewed as a final solution. The growth in the demand for numbers will continue as technology evolves and new providers enter the market. Therefore, the industry must address the evolution from a structure that places a geographic significance to the number for purpose of routing and billing. The introduction of location routing numbers with LNP is beginning the process.

GTE recommends that the industry immediately work to define standards that would allow for a Rate Center ID (RCID) to be appended to billing records. This would permit numbers to be ported or assigned across existing ILEC rate centers while providing the necessary information to properly bill calls based upon the serving carriers rate structure. Disassociating the NPA-NXX from the rate center and implementing overlays as the code relief method will provide a much larger area for use of a block of 10,000 numbers. In addition, number pooling would not be necessary, the consolidation of rate centers would not be needed, the need for special NXX codes for extended metro type services could be eliminated and all companies would be able to independently design rates for their customers.

**Remarks from Sprint Spectrum**

The CO Administrator notified the industry of exhaust in the 972, 713, 281, and 512 area codes. Jeopardy has been declared in each of those area codes and rationing already begun in all but the 512 area code, which will begin December 3, 1997. The 972 area code was declared in jeopardy on May 15, 1997, and the 713 and 281 area codes declared in jeopardy on October 6, 1997, but industry meetings were not held to plan area code relief. Rather, in September 1997, the Public Utility Commission of Texas charged the Texas Number Conservation Task Force (TNCTF) with reviewing number conservation techniques to try to extend the life of the 972, 713, 281 and 512 area codes. Industry meetings to address NPA exhaust relief were then effectively folded into the TNCTF meetings, but industry consensus

has not been reached on an area code relief plan. Therefore, the Commission is required to open a contested case docket to consider recognized area code relief, and Sprint Spectrum expressly requests that it do so.

Sprint Spectrum objects to the use of rate center consolidation (RCC) and number pooling (NP) as means to address area code exhaust. RCC and NP should only be implemented after, or in conjunction with, real area code relief that allows carriers full, impartial access to numbering resources to meet demand, not as a substitute for such area code relief. Moreover, RCC and NP are not recognized forms of area code exhaust relief. See, for example, NPA Code Relief Planning and Notification Guidelines. While they could potentially contribute to long term number conservation, the facts show that RCC and NP alone do not solve immediate numbering exhaust problems in Texas.

There were only 68 NXX blocks available for assignment in the 972 area code at the beginning of the Fourth Quarter of 1997; 131 NXXs blocks in the 281 area code; 98 NXX blocks in the 713 area code; and 134 NXX blocks in the 512 area code. Demand currently forecasted by wireless carriers would exhaust the available NXXs in the 972 area code by the end of the Third Quarter 1998, for example; and the 281 area code would be virtually exhausted in the Fourth Quarter 1999. (See Attachment 1, hereto.) This is based on information gathered by the PUCT. If all of the wireless carriers did not respond to the PUCT's information requests, actual wireless demand could be higher.

Four codes per month are being rationed in the 972 area code; 8 per month in the 713 area code; 9 per month in the 281 area code; and 7 per month in the 512 area code. Wireless demand per month exceeds the number of codes allotted per month for rationing, and that doesn't even take into account demand by CLECs. See Attachment 1. Compared to wireline, wireless carriers are very efficient users of NXX blocks.

Under a RCC plan, rationing is expected to continue through at least the date a plan is implemented. Southwestern Bell estimates that it will take three to six months to implement the most basic RCC plans – Option 1, and perhaps Option 3 – following an order from the PUCT. The PUCT would likely take some time to issue an order, given the fairly complicated issues it would have to address. For example, it would have to reconsider rates of the Incumbent LEC under any RCC plan. Bolder RCC plans would take even longer to implement, even more severely stressing the number supply without area code relief. The PUCT would also have to consider and deal with complicated issues such as 911 routing to PSAPs and the treatment of calls in larger RCA that formerly were toll calls, as well as cost recovery issues.

Even assuming that RCC could be implemented in as little six months, by June 1998 (including the time it would take the PUCT to issue an order), the demand of wireless carriers would consume any remaining NXXs codes available for assignment in the 972 area code, for example, within about one Quarter after RCC is implemented, taking into account demand that could not be met during rationing. There appears to be a similar situation in at least the 281 area code, too, in which wireless demand would rapidly consume any unassigned NXXs. While that kind of situation in 972 and 281 does not take into account any NXX blocks that might be returned under a RCC plan, Incumbent LECs have stated that they do not expect to return any NXX codes under RCC given forecasted growth demand and given that there will

be no forced number changes under a RCC plan, and that NXXs presently cannot be shared between Central Office switches. Only a relatively small number of CLECs even participated in the industry meetings, and those that did participate have not committed to returning NXXs for similar reasons.

In addition, with respect to NP, the Lockheed Martin forecasting tool results only contain information on 1000s blocks. The wireless carriers have not been provided with forecasts of demand, so they are unable to determine whether a NP plan would really make more NXXs available. But, in any case, wireless carriers cannot use 1000s blocks, before number portability is implemented for them, which will be no sooner than June 30, 1999 if no extensions are taken. In the meantime wireless carriers must use 10,000 blocks in order to provide service, and the Lockheed Martin results do not address whether NP would free up 10,000s blocks, let alone does it address whether it frees up enough 10,000s blocks to meet wireless demand.

There are other considerations. If a carrier is compelled under a RCC scheme to return a code in which they have active customers, those customers may have no choice but to change their numbers. In addition, incumbent carriers should not be allowed to recoup lost revenues through higher interconnection rates.

As mentioned, NP discriminates against wireless, and other carriers that are not LNP capable. Even if non-LNP capable carriers are excepted from a NP plan, *the plan must contain a provision that provides non-LNP capable carriers with sufficient full NXX blocks to meet their forecast demand.* But, as just discussed, the facts suggest that ILECs and CLECs will not return sufficient 10,000s blocks.

Sprint Spectrum agrees with another wireless carrier's recommendations for area code relief as presented in their participant comments. The lack of true NPA relief in any of these areas would act as a barrier to the ability of some carriers, like Sprint Spectrum, to do business in the State of Texas.

**Comments of PrimeCo Personal Communications, L.P.**

**Introduction**

The Texas Number Conservation Task Force ("TNCTF") was empowered by the Public Utility Commission of Texas (PUCT) earlier this year with reviewing number conservation techniques which would extend the life of the 214/972, 713/281 and 512 NPAs. Based upon the conclusions reached by the TNCTF, rate center consolidation and number pooling only contribute to long-term number conservation. As such, these methods provide a poor means of solving immediate numbering exhaust.

**Rate Center Consolidation**

1) While rate center consolidation has the potential to reduce the quantity of NXX codes needed on a going-forward basis, carriers may not return much needed existing codes in NPAs that are exhausted or near exhaustion.
2) Due to technical implementation timing requirements of 3-12 months, rate center consolidation may have little immediate impact on numbering relief and litigation is likely to occur for a variety of reasons.

Although the intent of implementing rate center consolidation is to reduce the demand for NXX codes by new entrants, it will not guarantee the return of codes that have already been assigned to both new entrants and existing carriers. Moreover, if a carrier is compelled to return a code in which they have active customers, those customers may have no choice but to change their numbers. Furthermore, while rate center consolidation is generally viewed as a positive long-term number conservation technique, if incumbent carriers attempt to recoup lost revenues through higher interconnection rates, the positive nature of this method of number conservation will be drastically reduced.

**Number Pooling**

1) Number pooling as a method of number conservation is unproved, even considering the work done in Illinois.
2) At this time, no national standards have been definitively established or approved.
3) Since local number portability (LNP) will not be deployed until March 31, 1998 for Houston, and May 15, 1998 for Dallas, the industry is likely to need an additional several months after LNP is implemented to begin assigning numbers with number pooling.
4) Wireless access to NXXs must remain unfettered, especially because wireless carriers will be LNP capable no earlier than June 1999.

While contributing to a better utilization of numbering resources, number pooling does not provide immediate NPA relief. Number pooling is a specialized form of number assignment utilizing the LNP infrastructure. Carriers that are not initially LNP capable will continue to require the same access to full 10,000 number NXX blocks as they currently do. It should be noted that a review of the NPA-NXX audit in Illinois demonstrated that instituting number pooling for the 847 NPA would only extend the life of the NPA by an additional 6-12 months. In addition, because number pooling cannot be effectively used until some time after LNP has been fully deployed in a metropolitan area, this delay makes its utility to forestall NPA exhaust for some NPAs (*i.e.* 972) even less likely. It would not be appropriate at this time to depend

upon any benefit from number pooling in the short term. The PUCT should direct the TNCTF to continue to monitor the Illinois trial and make recommendations as LNP is deployed in Houston and Dallas. Finally, due to various limitations in number pooling, the likely deployment schedule of pooling and the lack of whole 10,000 block NXXs in the five affected NPAs, number pooling has little or no positive effects on the exhaust of four of the five NPAs.

**Conclusion**

1) The PUCT should issue a new overlay NPA and require 10 digit dialing for Houston and Dallas.
2) A new overlay NPA should be followed by the implementation of rate center consolidation and number pooling.
3) Current rationing of NXXs can be a competitive disadvantage for new carriers and can impair ability to do business. This is because incumbent carriers, both wireline and wireless, already have codes in use and may not be impacted as greatly.
4) Number pooling may place certain carriers at a competitive disadvantage and this is inconsistent with the spirit of the Telecommunications Act of 1996.

A solution that can provide adequate numbering resources in the Houston and Dallas metropolitan areas is to overlay the two existing area codes with a third area code. This new area code can be assigned in either of the areas served by the existing area codes. This proposal, when combined and implemented with rate center consolidation and number pooling, can significantly forestall the need for future NPA relief. Both rate center consolidation and number pooling, if implemented without prior and immediate NPA relief (*e.g.* NPA overlay), will contribute to furthering the current jeopardy exhaust situation.

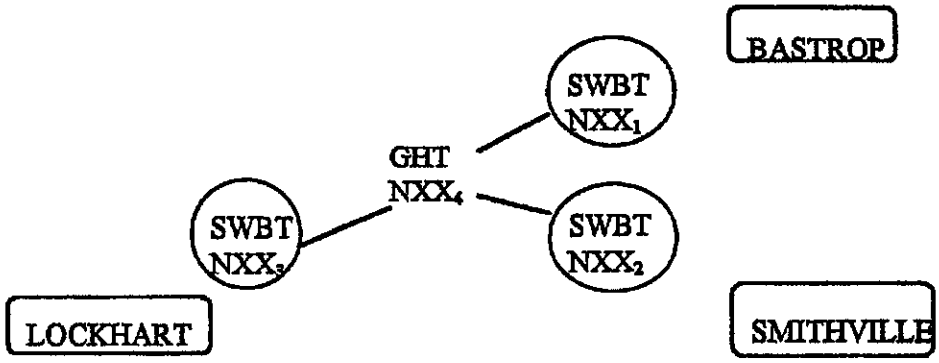
**Comments of Golden Harbor of Texas, Inc. Regarding Inconsistent Rate Centers**

Golden Harbor of Texas, Inc. (GHT) has been the strongest proponent of preserving and expanding the conservation of NXXs by reducing the number of NXXs CLECs entering the market must have in order to serve their customers. This conservation method, which has been described as an "inconsistent rate center", is another form of rate center consolidation. GHT urged the benefit of this NXX conservation approach during its interconnection arbitration with SWBT last spring and subsequently the Commission approved the GHT/SWBT interconnection agreement with "inconsistent rate centers" in numerous geographic areas of the state, including in the 214/972, 713/281, and 512 area codes. GHT views this conservation method as the best alternative with the greatest near- and long-term NXX conservation impact, especially in light of heavy ILEC resistance to aggressive consistent rate center consolidation.

An "inconsistent rate center" as it has been considered by the TNCTF is a rate center approved by the Commission which is larger than the rate center of the incumbent LEC. Within that "inconsistent rate center" all calls between the ILEC and the CLEC are local calls.

The most efficient utilization of NXX codes would be accomplished by assigning to each CLEC only the number of codes necessary to serve its customers. However, because ILECs have traditionally relied on each specific NXX to indicate the unique geographic boundaries within which the code holder resides AND thus the ILECs have rated and routed the calls based on that NXX specific geographic location, inconsistent rate centers with different geographic boundaries for CLECs have the potential to alter the jurisdictional nature of calls between ILECs and CLECs as compared to the same call between ILEC and ILEC.

For example, the Commission has approved for GHT the use of one NXX for the geographic areas of Bastrop, Smithville and Lockhart. SWBT has a separate rate center in each of those locations and each rate center has a unique NXX. All calls between SWBT and GHT's customers within the broader geographic area are local calls.




When SWBT's $NXX_1$ calls GHT's $NXX_4$ SWBT cannot determine if GHT's customer is located in Bastrop, Smithville or Lockhart. Therefore, while a call from Bastrop to Lockhart may be a toll call between SWBT's customers ($NXX_1$ to $NXX_3$), the call between SWBT's customer and GHT's customer is a local call. SWBT does not have to determine where the GHT $NXX_4$ customer is located because GHT's $NXX_4$ could either be physically

located next door to SWBT's $NXX_1$ customer in the same exchange or physically located next door to SWBT's $NXX_3$ customer in the distant exchange and in either case the call is a local call. .

Thus, within the inconsistent rate centers all calls between the ILEC and the CLEC within the larger geographic area covered by the CLEC's rate center are local calls.

In the example above, a customer in Lockhart may choose GHT because the customer wants local outbound calling throughout the larger geographic area covered by GHT's rate center; whereas SWBT offers local calling to SWBT's customers within only a portion of the larger geographic areas (e.g. $NXX_1$ to $NXX_2$, but not to $NXX_3$) and local calling to GHT customers throughout the larger area.

An "inconsistent rate center" is really simply a form of new EAS between ILECs and CLECs. The Commission has jurisdiction and authority to approve new EAS serving areas between ILECs and CLECs and has an existing interconnection rule which recognizes that such new arrangements may be negotiated between ILECs with more than one million access lines and CLECs.

The Commission could add to that rule or adopt a new rule that sets forth these new "Competitive EAS Exchanges"[1] which would be the geographic areas within which a CLEC may establish only one rate center and within which ILEC to CLEC calls are local calls. Option 8 for Austin, Dallas and Houston could be adopted almost immediately as "Competitive EAS Exchanges". Option 9 for Austin[2] instead of Option 8 for Austin could be adopted as an even more aggressive consolidation by consolidating multiple ILEC exchange boundaries. Within such "Competitive EAS Exchanges", calls between ILEC and CLEC customers would be local calls and the intercompany compensation would be established by the Commission in the interconnection agreement. This inconsistent rate center alternative has the dual advantage of conserving NXXs and giving customers a choice of service characteristics as well as service providers.

Creating inconsistent rate centers is a very innovative solution to the heavy demand for NXXs from CLECs who, with few exceptions, have been required to mirror ILEC rate centers. Inconsistent rate centers can be implemented almost immediately and can provide either an interim relief to NXX demand pending aggressive rate center consolidation or a permanent alternative to the deeply entrenched and difficult to change ILEC rate center boundaries.

A careful analysis of the issues raised by those opposed to inconsistent rate centers reveals that either the issues are non-existent (e.g. numbers can be ported in an inconsistent rate center environment); or they can be easily accommodated (e.g. coordinate with 911 interested parties to ensure that future deployment of 911 tandems takes into account

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[1] "Competitive EAS Exchange" is a descriptive term GHT has adopted which describes conceptually this larger geographic area within which traffic between ILECs and CLECs is local and within which CLECs can designate a single rate center utilizing only the number of NXXs they actually need to serve their customers.

[2] Option 9 for Dallas and Houston has certain 911 tandem constraints and therefore could not be implemented prior to addressing 911 issues.

Commission approved inconsistent rate center boundaries as well as Commission approved consolidated rate center boundaries); or they are company specific billing and revenue issues for which the Commission could seek quantification and then balance against other public interest concerns.

In summary, GHT urges the Commission to take the following actions:

- Immediately implement rate center consolidations reflected in Options 1 and 3.
- Immediately adopt "Competitive EAS Exchanges", reflected in Option 8, as alternatives to ILEC rate centers.
- Permit GHT to replace its existing Option 7 with Option 8 once Option 8 is implemented.
- Immediately initiate a proceeding to achieve further rate center consolidation as reflected in Options 2, 4, 5, 6 and 9.

**360° Communications**

While 360° Communications supports the Texas PUC's efforts at number conservation, we respectfully submit that any conservation method ordered by the Texas PUC must take all users of numbering resources into consideration.

The FCC has provided until June 30, 1999 for CMRS carriers to implement Local Number Portability. In accordance with FCC rules, we do not expect to be technically able to participate in number pooling before any date set forth by the FCC. In the interim, our need for codes will continue to exist. In a number pooling environment, those carriers whose networks use LNP technology will be able to acquire numbers in 1,000 number blocks while those whose networks are not LNP capable will not. Carriers whose networks do not use LNP technology will be disadvantaged with respect to their ability to obtain numbers.

If the Texas PUC issues a Number Pooling order without making specific provisions granting access to whole NXX codes to non LNP capable carriers, these carriers will not be able to obtain numbers at all. As Air Touch pointed out in it's Reply Comments in the matter of NANC's letter seeking clarification of the term *technology neutral*, "Numbers are a critical element of the provision of telecommunications services. A discriminatory arrangement that precludes certain carriers from acquiring numbers will have a significant negative impact on consumers. Moreover, since wireless carriers have a high efficient rate for number usage, these carriers will run out of numbers in a shorter period of time if no additional resources are available"[3].

An additional consideration is the timing of any such Number Pooling order. In it's report to the North American Numbering Council, the Industry Numbering Committee has said[4] that "It does appear however that the benefit associated with pooling - that is, the ability to better utilize numbering resources and delay the need for NPA relief - is better realized if pooling is initiated "early in the life" of a given NPA, when there exist a large number of NXX codes still unassigned. It further appears that the implementation of pooling "late in the life" of an NPA, for example when the code is already in a jeopardy situation, is likely to provide relatively little delay in the need for NPA relief."

360° Communications would support a Texas PUC order which included both the introduction of Number Pooling by capable carriers and access to full NXX number blocks for those carriers who are not LNP capable. Moreover, once the number of full NXX codes are exhausted, non LNP capable carriers must be guaranteed that additional codes would be made available through traditional area code relief, whether that be in the form of a geographic split or an overlay.

Even though the Texas Number Conservation Task Force does not recommend a Transparent Overlay, 360° would like for the Texas PUC to understand the basis for 360°'s strong objection to a Transparent Overlay. For wireless carriers, the problems with a transparent overlay are numerous. Roaming would be impossible for a customer with a number issued

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[3]Reply Comments of Air Touch at 3.
[4]Industry Numbering Committee (INC) Initial Report to the North American Numbering Council (NANC) on Number Pooling, October 17, 1997, Section 14, Page 44.

from a transparent overlay. Wireless systems nationwide cannot reasonably be expected to be programmed to recognize individual numbers from the transparent overlay. Certain enhanced features, such as caller ID and automatic call back, would be unavailable to customers who have the transparent numbers because RCF involves loss of functions such as Automatic Number Identification that are required for such features.

A transparent overlay is, in fact, not transparent to wireless customers. Because wireless phones need to be programmed with the phone number used by RCF to reach that phone, the overlaid number would be the one programmed into the phone unit. Customers will see the overlaid number when they use their phone keypad, not the number that the customer has been told is their phone number.

911 operators would also see the overlaid number and not the phone number that the customer believes they have. Since this transparent or virtual number cannot be dialed to reach the wireless customer, it is not a call back number that can be used by 911 operators. As such, numbers from a transparent overlay cause wireless carriers to violate the FCC requirement that the carriers provide call back numbers to 911 operators.

Use of a transparent overlay could also violate the FCC Second Report and Order because dialing parity among different types of customers and carriers would be lost. Since wireless customers with an overlaid number now have a different area code than other customers, these wireless customers will need to dial 10 digits to reach any landline customer or any customer with a wireless number that did not come from the transparent overlay.

**ALLTEL Communications, Inc.**
**Response To**
**Number Conservation Task Force Initiative for Rate Center Consolidation**

ALLTEL recognizes that something has to be done in the area of number conservation. To achieve number conservation, certain tools must be used to reduce the exhaust of NXX's. Among these tools are retroactive overlay, local number portability (LNP), and number pooling. ALLTEL is moving forward with LNP in the Houston area and presume that number pooling will be implemented along with LNP .

ALLTEL feels local number portability and number pooling are number conservation tools that will be available in the short term. LNP and number pooling will be available in Houston and Dallas by March and May of 1998 respectively.

ALLTEL feels the effect that number portability and number pooling have on number exhaust should be studied before any RCC proposal is recommended or implemented. However, rate center consolidation in one form or another may be a long term possibility.

ALLTEL has studied all rate center consolidation proposals and at this time would view Proposal #1 which recommends consolidating rate centers in the metropolitan exchanges within the ILEC's existing local exchange boundary, without affecting local exchange calling scopes as the only favorable option for rate center consolidation.

RCC proposals 2-9 cannot be supported by ALLTEL until such a time that a quantitative analysis can be developed that accurately and in detail analyzes the technical, systems, and revenue impacts that are created by each proposal.

Consolidation of rate centers will impact revenue (toll/access). The consolidation could cause a reduction in toll or a complete loss of toll. Methods for recovery of lost revenue need to be explored and/or created before any RCC recommendation can be made.

Any systems impact will require a six month review followed by a minimum implementation period of six months. This will be at a high cost to all ILECs.

Technical impacts including changes in translations, routing methods, and vertical/horizontal coordinates will, along with systems and revenue impacts, affect all existing telecommunication agreements.

Inconsistent Rate Centers are not supported by ALLTEL. IRCs over time and without strict regulation have the potential to act as a virus and cause a lack of control which will overwhelm the ILECs with numerous contracts for separate IRCs for each CLEC. With strict regulation, CLECs could claim that the IRCs are not competitively neutral and arguments for different IRCs could ensue.

# VII. Glossary of Terms

**Rate Center** – A specific geographic location, associated with a telephone company's Central Office (CO) switch, used to calculate mileage for toll billing and intercompany settlement purposes. This geographic location is defined by the Vertical and Horizontal (V&H) coordinates of a single site in the serving area of the CO switch. Multiple CO switches may use the same V&H coordinates. The V&H coordinates of the Rate Center (RC) are not necessarily the same as the V&H coordinates for any CO switch. RCs have traditionally been associated with Incumbent Local Exchange Company (ILEC) serving areas.

**Serving Area** – The geographic area associated with the physical plant and facilities of a particular telephone company's Central Office (CO) switch; the area the CO switch serves. Serving Areas are typically exclusive within a telephone company's network, but are not between competing telephone companies.

**Local Calling Scope** – The set of Telephone Numbers (TN) that any Local Service Customer (LSC) may call without incurring Toll charges. This set of TNs is usually defined by the NPA-NXX (e.g., 512-936) of the called party. Local Calling Scope (LCS) generally refers to outbound calling. LCS will not necessarily coincide between competing telephone companies.

**Inconsistent Rate Centers** – For the Serving Area (SA) of a competing telephone company, Rate Center (RC) assignment does not comply with the RC assignment of the Incumbent Local Exchange Company (ILEC). Typically, IRCs involve competing telephone companies having RCs with a larger geographic area represented by the V&H coordinates.

**Rate Center Consolidation** – The combining of multiple existing Incumbent Local Exchange Company (ILEC) Rate Centers (RCs) into a single RC. Rate Center Consolidation (RCC) results in a single V&H coordinate serving as the toll reference point for Central Office (CO) switches which previously were associated with different V&H coordinates.

**Call Rating** – The establishing of a pricing basis for calls between two Telephone Numbers (TNs), usually in a toll calling situation. Call rating relies on establishing a relationship between the calling number and the called number. This is historically done on an NPA-NXX-to-NPA-NXX relationship. Call Rating is not normally performed for calls within the Local Calling Scope (LCS).

**Call Routing** – The creation of an electronic or mechanical path between two Telephone Numbers (TNs) for the purpose of Local Service Customer (LSC) communications. Call Routing historically relies on NPA-NXX-to-NPA-NXX relationships understood by telephone companies' networks to establish the desired communications path.

**NPA-NXX** – The combined telephone number prefixes used to identify, 1) the three digit Area Code, or NPA (Numbering Plan Area), and, 2) the three digit Exchange Code, which are associated with a four digit line number to produce a unique Telephone Number (TN). NPA-NXXs are currently assigned by the Central Office Code Administrator for the jurisdiction in question. NPA-NXXs have traditionally been assigned to a sitgle telephone company, and have been used for Call Rating, and Call Routing purposes, as they have been associated with a single Central Office (CO) switch.

**Extended Area Calling Plan** – Local service dialing plans which include a larger Local Calling Scope (LCS) than is normally offered for the Serving Area involved. Extended Area Calling Plans (EACPs) may be mandatory or optional to the Local Service Customer (LSC), and typically require an increased service fee over basic local service. EACPs may be two way (both inbound and outbound) or one way (either inbound or outbound). Consequently, EACPs potentially effect the LCS of both the subscriber (outbound) and of other callers (inbound).

**Local Number Portability** – The Local Service Customer's (LSC) ability to retain working Telephone Numbers (TNs) when changing either location, service, or service provider. The current Local Number Portability (LNP) focus is on service provider portability, with implications on limited location portability. LNP only applies when a competing telephone company has a Central Office (CO) switch in service for the Serving Area; LNP is not necessary for service resale. LNP has two forms: Interim Number Portability (INP), which uses non-database methods to forward calls to the new service provider, and Location Routing Number (LRN) or Permanent LNP, which employs a database method of routing calls to the new service provider. INP is available in various forms today, while LRN will be available on a schedule as ordered by the FCC in Docket No. 95-116.